

**Minutes of the meeting of Cabinet held at Conference Room 1 - Herefordshire Council, Plough Lane Offices, Hereford, HR4 0LE on Thursday 14 December 2023 at 2.30 pm**

**Cabinet Members Physically Present and voting:**

**Councillor Jonathan Lester, Leader of the Council (Chairperson)  
Councillor Elissa Swinglehurst, Deputy Leader of the Council (Vice-Chairperson)**

**Councillors Graham Biggs, Harry Bramer, Barry Durkin, Carol Gandy, Ivan Powell, Philip Price and Pete Stoddart**

**Cabinet Members in remote attendance**

*Cabinet members attending the meeting remotely, e.g. through video conferencing facilities, may not vote on any decisions taken.*

Cabinet support members in attendance

Councillors Dan Hurcomb

Group leaders / representatives in attendance

Councillors Ellie Chowns and Bob Matthews

Scrutiny chairpersons in attendance

Councillors Ellie Chowns,

Other councillors in attendance:

Councillor Hitchiner as substitute for Councillor Liz Harvey

Officers in attendance:

Chief Executive, Director of Resources and Assurance, Director of Governance and Law, Corporate Director Community Wellbeing, Corporate Director – Economy and Environment, Senior Commissioning Officer, Head of Strategic Finance, Statutory Scrutiny Officer, Service Director Environment and Highways

**58. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Harvey, James, Fagan and Stark

**59. DECLARATIONS OF INTEREST**

None declared. Subsequently confirmed that Councillor Hurcomb had none (he was absent from the room during this item).

**60. MINUTES**

That the minutes of the meeting held on 23 November will be considered at the next Cabinet meeting on 21 December 2023.

**61. QUESTIONS FROM MEMBERS OF THE PUBLIC (Pages 7 - 8)**

Questions received and responses given are attached as appendix 1 to the minutes.

**62. QUESTIONS FROM COUNCILLORS (Pages 9 - 10)**

Questions received and responses given are attached as appendix 2 to the minutes.

**63. REPORTS FROM SCRUTINY COMMITTEES**

There were no reports from scrutiny committees for consideration at this meeting.

**64. 2024/25 DRAFT BUDGET - REVENUE**

The Cabinet member for finance and corporate services introduced the report and highlighted that Cabinet inherited a funding gap between estimated income and planned expenditure of £28.8m which has been reduced to zero and a balanced budget has been achieved.

The revenue budget is a draft and will be subject to consultation with council members, council's scrutiny committees, businesses and the public.

This draft revenue budget totals £205.2m for 2024/25 which includes a 4.99% increase in Council Tax and the current estimate of central funding, due to be announced in December 2023.

The base budget for 2024/25 is proposed to fund identified budget pressures of £43.3m which have been offset through savings and efficiencies of £19.5m together with mitigations of £7.9m to enable us to deliver a balanced budget of £205.2m.

The forecasts for inflation and Consumer Price Index were noted.

The increase in the national living wage for individuals over 21 from 1 Apr 2024 has been considered as part of this draft budget.

It is the council's plan to implement the maximum 4.99% increase in council tax for 2024. If additional funding is identified in the provisional settlement then cabinet will review what to do with the surplus.

The draft revenue budget is proposed for each directorate at paragraph 16. The breakdown is detailed at Appendix B with a total budget of £205.170m with details of how it is funded.

Paragraph 17 shows a summary of the unfunded pressures of £43.3m by directorate. It is proposed that the £4m all ages social care budget approved in the 2023/24 budget is applied to the Community wellbeing directorate in 2024/25 to fund demand and cost pressure in adult social care.

Noted that each Directorate has key budget pressure and highlighted pressures within the Community Wellbeing directorate and Children's and Young People. Paragraph 21 outlines how the savings are planned over the three years period and will enable a reduction of the base budget by 31 March 2027.

Highlighted there will be a small increase in parking charges in the Economy and Environment directorate (following the deferred savings targets).

Noted that Corporate Services will deliver their savings through a review of services, business support functions across the council and a review of the management structure.

Totals savings of £19.5m are proposed comprising of £11.6m of directorate savings and a further £7.9m of council wide savings, details are within Appendix A.

Noted that outstanding information expected to have an impact on the proposed budget for 2024/25 and the Medium Term Financial Strategy will include, the provisional and final local government finance settlement for 2024/25, the outcome of the public consultation and recommendations from the scrutiny management board.

Confirmed that cabinet will propose the 2024/25 revenue budget for recommendation to council at its meeting on 25 January 2024. Council will meet to approve the 2024/25 revenue budget and supporting appendices at its meeting on 9 February 2024.

No points were raised by cabinet members.

Group leaders gave the views of their groups. Queries were raised regarding cost of school transport, increase in parking charges, charging for welfare support, reducing Balfour Beatty's services and how much information has been shared during the consultation process. Concerns were expressed regarding the impact of the voluntary resignation process, that the risks were not rated appropriately, the impact of the proposed savings with carers packages, effect of reducing library hours and that the figures were too optimistic. Further information was requested regarding Hoople's service level agreement, that the booking system at the Waste and Recycling Centre would remain and clarification sought regarding the £4m reserves to fund in year expenditure within Economy and Environment.

In response to the queries it was noted that a full response would be provided regarding school transport costs. Also, the increase in parking charges was 20p, 10p per year from the deferred increase. It was confirmed that charging for welfare benefit support refers to charging the NHS, not individuals, for the advice and support provided to NHS patients which is currently provided for free. The quality of the roads will not be effected by the reduction of Balfour Beatty savings and advised there is a capital programme to ensure more money is spent on roads. Regarding the public consultation it was confirmed that this is ongoing and continues until 31 December 2023. It was clarified that key services won't be effected as a result of the voluntary resignation scheme and it is there for those that can benefit from it. In respect of the risk rating regarding care, confirmed this was not registered as high due to extra funding being in place for both directorates. Assurances were provided that the figures stated can be delivered. It was confirmed that the Service Level Agreement with Hoople will be renegotiated to gain savings. Lastly, the comments regarding waste management and recycling centres were noted and advised this is a consultation and the budget is draft, all comments are welcomed.

**The draft proposals were unanimously resolved that Cabinet:**

- a) approves the 2024/25 draft revenue budget, which includes the key pressures and savings proposals for each Directorate, for consultation with Members, the council's relevant scrutiny committees, business rate payers and the public; and**
- b) acknowledges that until the Local Government Finance Settlement is published in late December 2023, the funding assumed in the draft 2024/25 budget is an estimate of expected funding.**

## **65. 2024/25 DRAFT CAPITAL INVESTMENT BUDGET AND CAPITAL STRATEGY UPDATE**

The Cabinet member for finance and corporate services introduced the report, the principal points were raised.

That full Council on 8 December 2023 passed the amendment to the 2023/24 Capital Programme shown at Appendix C. A correction was noted that the updated capital programme title included at appendix C (which is the proposed capital programme from April 2024) should read, *Capital Programme position April 2024/25*.

Appendix A, along with the outline strategic business cases at Appendix E provide details of the proposed additions to the existing capital programme. Seven capital

investment budget proposals totalling £7.33m have been identified and will be funded by prudential borrowing. Noted that inclusion in the capital programme is not approval to proceed.

Appendix D the Capital strategy, provides a clear and concise view of how the council determines its priorities for capital investment and this will be updated in line with the county plan.

The council is undertaking a Corporate Asset Review which seeks to identify surplus areas of land and assets. Seven sites were noted to have the potential to bring forward residential or commercial development.

The Medium Term Financial Strategy and Treasury management Strategy supports the new borrowing which includes an estimation of £6.7m of new prudential borrowing per annum as detailed at paragraph 24. Outline strategic business cases for each of the new projects are detailed at Appendix E.

Monthly budget control meetings will provide assurance on robustness for all Capital projects.

No comments were made by cabinet members.

Group leaders gave the views of their groups. There was support for the additions to the programme and the recommendations. It was noted that a general system should be purchased for the planning department rather than a bespoke system and if council land is sold, benefit for the community should be considered. An additional appendix to show the difference between the existing and proposed budget was requested to enable residents to clearly see the differences.

Clarification was sought regarding when central government will be approached in respect of funding for the Southern Link Road and queried the figures published in these papers and those at full council. Queried the £5.4m funding for projects within Economy. Concerns were expressed that funding is being used for undeliverable schemes and it is not made clear that there will be borrowing in the future to deliver projects now (referred to paragraph 24).

In response to queries it was noted that investment in the database is needed for planning. Confirmed that housing land is important and acknowledged the demand for housing, progressing these sites was important to achieve the best outcomes for residents. Regarding the Southern Link Road finances and development, it has been made clear to central government that schemes will be coming forward and confirmed officers are putting forward a comparison of the routes and schemes which will come in January and February 2024. In respect of the change in figures for the Southern Link Road clarification will be provided. Lastly, the comment regarding how the capital programme will be funded will be picked up at a later date and clarification will be provided regarding paragraph 24.

**It was unanimously resolved that Cabinet:**

**(A) Recommends the following to Council**

**I. To approve the revised capital programme for 2024/25 attached at appendix C; and**

**II. Approve the capital strategy at appendix D.**

**(B) For (i) the land assets listed in paragraph 14 of this Report and (ii) all further small land assets or building with an individual valuation of £500k and under, delegates:**

**i. to the section 151 officer to undertake an options analysis in relation to each land asset; and**

**ii. to the Cabinet Member for Community Services & Assets to consider the options and decide whether to retain or dispose of each land asset in each case to ensure that the Council maximises the capital receipt for the land**

The meeting ended at 3.35 pm

**Chairperson**



**PUBLIC QUESTIONS TO CABINET – 14 December 2023****Question 1****Carole Protherough, Clehonger****To: Councillor Price, Transport and Infrastructure**

How can expenditure on furthering the pie in the sky SLR project be justified in the context of increasing council tax and cutting services, at a time when many households are struggling with increased costs, and there are clearly significant shortcomings in services for vulnerable individuals and families ?

**Response**

The funding requests for projects in the approved capital programme have been confirmed as manageable within current borrowing limits in the medium term financial strategy and the available balance in the capital receipts reserve.

**Question 2****Mrs E Morawiecka, Breinton Hereford****To: Councillor Stoddart, Finance and Corporate Services**

The Southern Link Road in the capital projects programme will use £5million of capital receipts and also require £5.3million of prudential borrowing. The £5million of capital receipts could be used to reduce borrowing for other capital projects.

Building a new road will generate no income to repay the capital or cover the interest payments. Please confirm the extra cost to the local taxpayer of borrowing £10.3million, and how this will be repaid by local tax payers?

**Response**

The project is funded by £5.3 million of borrowing. This is not new borrowing and was included in the budget approved by Council in February 2023. There is no extra cost to the taxpayer as this is already included in the Council's approved base budget.

**Supplementary question**

Instead of cutting vital services for residents whilst increasing council tax, the council could reduce revenue costs by cancelling the Southern Link Road development project and reducing borrowing by £10.3million. This could generate a saving of up £400K or 5% of the £7.4million cost savings you are looking to make, without reducing vital services needed by residents whilst increasing council tax.

The Department for Transport shows that the mileage travelled by motor vehicles is now 4% lower than 5 years ago, and studies show that a lack of public transport is a barrier for young people to access work, education and other social opportunities. Therefore please provide the evidence that £10.3million on designs for a new road delivers a higher return on investment and better outcomes for our young people, than maintaining vital public services and good, interconnected public transport. “

**Supplementary response**

Thank you Mrs Morawiecka the investment that this Council is making in the Southern Link Road is intended to provide infrastructure that prepares the city and the county for future growth. A full business case will be prepared in due course.

### **Question 3**

**Mr Paul Symonds, Ross on Wye**

**To: Councillor Price, Transport and Infrastructure**

In relation to the response to my question at full Council on 8 December, please explain why priority could not be given to southbound traffic leaving Ross-on-Wye town centre in order to facilitate a yellow box?

### **Response**

As per our initial response, the introduction of a yellow box at this location is only permissible in conjunction with an associated priority working arrangement.

The implementation of an associated priority working arrangement would require suitable points to be established at either end of the section of road and at locations where vehicles of all types (ie. not just cars) could wait and not prevent the passage of vehicles from the other direction.

In this case it is not considered feasible to introduce priority working for southbound vehicles leaving Ross on Wye as there would be insufficient forward visibility between the point that vehicles enter into the priority arrangement and where vehicles would be required to wait when travelling towards the town centre. This means that drivers of vehicles travelling in a northbound direction would not be able to see drivers coming southbound. For this reason, a priority working arrangement is not considered feasible.



**COUNCILLOR QUESTIONS TO CABINET – 14 December 2023**

No questions from Councillors were submitted.

